(d) to what extent the EU scrapping special textile duty will benefit India; and

(e) to what extent it will help in improving its trade in textile with EU?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) to (e) On 7th July, 2004 the European Commission (EC) had adopted a Communication setting out the principles that will guide the European Union system of Generalized Trade Preferences (GSP) for developing countries for the period 2006-2015. The Communication proposes to target the GSP on the countries that need it most. Least developed countries and the most vulnerable developing countries have been specified in this category. According to the Communication, the Commission will bring forward a Regulation implementing the GSP for the next three years starting on 1st January, 2006. Any assessment of the impact of the changes in the EU, GSP scheme, including benefit to India and improvement in textile trade with the European Union can be made only after the implementing Regulation is announced by the EC.

In accordance with provisions of World Trade Organisation's Agreement on Textiles and Clothing (ATC), the Agreement and the restrictions thereunder shall stand terminated on 1st January, 2005, on which date the textiles and clothing sector shall be fully integrated into GATT, 1994.

**Sick handloom units**

†1606. SHRI RAM JETHMALANI: Will the Minister of TEXTILES be pleased to state:

(a) whether any estimate has been made by the Government to the effect that handloom units have been closed due to increasing sickness in the handloom industry in the country during the last five years;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) whether it is a fact that in the year 2003-04 there has been reduction in textiles production in handloom sector as compared to 1998-99; and

(e) if so, the details thereof?

†Original notice of the question was received in Hindi

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) No, Sir.

(b) Ministry of Textiles has not received any report from any State Government about the closure of handloom units due to sickness in the handloom industry.

(c) Does not arise.

(d) and (e) The estimated production in the handloom sector has reduced from 6792 million sq. mts. during 1998-99 to 5518 million sq. mts (Provisional) during 2003-04.

**Hand Woven Clothes**

†1607. SHRI KALRAJ MISHRA: Will the Minister of TEXTILES be pleased to state:

(a) whether Government are contemplating to promote traditional hand woven clothes in the country;

(b) if so, the details thereof; and

(c) the steps being taken by Government to promote the export of the said clothes?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) and (b) The Government of India is implementing a number of Schemes for the development of the handloom sector. The Schemes being implemented in the Tenth Five Year Plan period are as follows:

(1) Deen Dayal Hathkargha Protshan Yojana

(2) Marketing Promotion Programme

(3) Handloom Export Scheme

(4) Mill Gate price Scheme

(5) Scheme for reimbursement of one time rebate @ 10% given by the handloom agencies on the sale of handloom cloth.

(6) Scheme for Reimbursement of CENVAT on Hank Yarn.

(7) Workshed-cum-Housing Scheme

†Original notice of the question was received in Hindi.